

PASCOAG UTILITY DISTRICT
BOARD OF UTILITY COMMISSIONERS

Water Sub-Committee Meeting – May 4, 2005

A joint meeting of the Pascoag Utility District Board of Utility Commissioners Water Subcommittee and the Harrisville Fire District Water Subcommittee was held on Wednesday, May 4, 2005, at 6:30 p.m. in the District office, 253 Pascoag Main Street, Pascoag, RI.

Pascoag Subcommittee Members Present: Albert Palmisciano, Chairman, Board of Utility Commissioners; Ann Polacek, Vice-Chair, Board of Utility Commissioners

Harrisville Subcommittee Members Present: Scott George, James Scotland, Ronald Slocum

Chairman Palmisciano opened the meeting at 6:30 p.m.

1. Discussion of Future Organizational Plans

Chairman Palmisciano welcomed the members from the Harrisville Fire District and opened the discussion. He noted that the purpose of the meeting was to get together and discuss what has changed since the last attempt to bring the two water systems together as one entity.

Mr. George stated that as far as Harrisville is concerned, they are

satisfied with the current arrangement, under the circumstances. He added that the best circumstances would be if Pascoag could find another water source. He asked about the two wells off Reservoir Road and what kind of water could be obtained. Chairman Palmisciano responded that 25% of Pascoag's water could be pumped from those wells.

Mr. George noted that Harrisville is working on a lot to bolster their water supply and that they are looking further distances trying to plan for what is coming. He asked if they could plan on Pascoag providing roughly 25%. Mr. Slocum asked if either well was in production now. Chairman Palmisciano responded no, that there was a setback in the easement process with RIHMFC and that when those are approved there will still be additional requirements.

Mr. George inquired about the energy bill introduced in the House of Representatives, adding he hopes it doesn't fly as written. Chairman Palmisciano responded that the bill does not affect Pascoag because the PUD lawsuit was filed before the retro-active date. Mr. George wished the District well on the lawsuit.

Mr. George added that Harrisville was able to bring another new well on line, and there are a lot of developments proposed which they are watching closely. He noted Harrisville is in considerably better shape, but they do not have an unlimited supply.

Mr. George asked if Pascoag (the actual wording was you folks) have any ambition to pursue a merger. Chairman Palmisciano replied that the District did not at the present time. He added that the legal issue is in limbo. Mr. Scotland asked if the lawsuit was the major reason. Chairman Palmisciano replied that there are a lot of reasons including representation on Harrisville's board. He added that the people vetoed it twice, and asked if any of those changed. Mr. George referred to a letter from Attorney Sinapi which had been modified. Mr. Scotland asked if Pascoag had looked at the benefits to the customers of a merger – and if there would be any benefits? Chairman Palmisciano noted that Pascoag's indebtedness remains constant and asked how that would be affected by a merger. Mr. Scotland asked if anyone had looked at the nickel and dimes. Chairman Palmisciano stated that would have to be a proposal by Harrisville, and asked what Harrisville would charge Pascoag for water. Mr. Scotland responded that Pascoag customers would not pay any more than Harrisville customers. Mr. George suggested the whole issue be forwarded to Bacon and Edge and ask them for guidance. Mr. Scotland asked if the two committees could sponsor this effort. Chairman Palmisciano said that the primary concern in the past is that people would have liked to see an entirely new entity; the make-up of the board should be voted on by both villages. Mr. George stated that the water board would be autonomous; the operating committee would not have jurisdiction. Mr. Scotland noted per "Section 10" the water system holds the authority. Mr. Scotland added that during a fire the Pascoag tanks could not handle it; there

would be a safety issue and possibly contaminate the system. Mr. George added that Pascoag has to rely on the pipe for water. He noted that if there is any interest in talking further, maybe they could put it together and have Bacon and Edge give an impartial budget for the new autonomous, merged water system adding that autonomy is crucial. In addition, he stated that if you don't look, you will never know. Harrisville didn't know what rate to charge for wholesale; that's why we had Bacon and Edge look at it. He reconfigured the whole thing. Mr. George said that any time in the future, that would be his recommendation to his operating committee. Mr. Scotland added it would satisfy the Water Resource Board requirements. Mr. George added that if it is not financially beneficial, that would end it; take both budgets and have Bacon and Edge see what it looks like merged. Ms. Polacek said her concern was about the lawsuit, but added it makes sense to get the experts involved. Mr. George suggested talking to Bill Bernstein and see if it is do-able now with the lawsuit and added that it would be his recommendation to the operating committee to have Bacon and Edge look at it and split the fee 50/50.

Mr. George stated the letter for the Water Resource Board would say that Pascoag and Harrisville met today and talked about future developments and demands. No further meetings are scheduled immediately but it does not rule out future meetings.

Mr. George wished Pascoag well with the new wells.

Chairman Palmisciano stated his primary goal was looking at other areas adding the more water we have the better. Mr. George again wished the District well adding it gives them breathing room. Mr. George stated again that the key is autonomy. He felt the water budget would be approved at a separate meeting of the Harrisville and Pascoag ratepayers. In addition, he felt they didn't have a good picture of what a merged system looks like. Mr. George stated it was a cordial meeting. He added that his subcommittee would review any letter before it went out to the Water Resource Board.

Chairman Palmisciano adjourned the meeting at 7:02 pm.

Sharon McDonald, Recording Secretary

Brian Choiniere, Secretary
Board of Utility Commissioners